

feit its right to all the timber land which it may own, also the privilege to cut timber thereon. Had it not been for capitalists from abroad, I doubt very much if we could have made much headway in the development of our lumber industry. Gentlemen of means have come among us for the purpose of investing their wealth in this industry, and in every instance it has been their purpose to purchase as large boundaries as possible, in order that they might have an investment permanent in its nature, and without which they would never have dreamed of locating in our midst. In other words, it is utterly impossible to secure the development of our lumber industry if parties who are to engage in that business are to be restricted to the ownership of not more than 300 acres of timber land, and the act in question, if properly enforced, will completely destroy the lumber business from one end of the state to the other.

Heretofore the merchants of North Carolina have been required to pay a purchase tax, but now they are required not only to pay a privilege tax but other taxes to an extent which will in my opinion, drive many of them out of business. The manner of taxing merchants is very objectionable, especially in so far as it relates to what is known as the country merchant.

His place of business is in the country and small towns, and he does not carry what is known as a general line of merchandise. The state taxes him as follows: First, capital and property tax; second, tax on all his sales; third, a tax for the privilege of doing business; fourth, a number of special taxes. These taxes represent the amount that he is required to pay to the state, and as a rule the counties levy an amount equal to the levy made by the state, and in some instances the municipalities levy an additional tax. It will be seen that the small dealer in general merchandise in the village or in the country, who is engaged in legitimate business, and one that is for the convenience of the community, is required to pay taxes out of all proportion to the capital invested. While this class of merchants should be required to pay their just proportion of taxes of the state, at the same time they ought not to be taxed in such a manner as to bankrupt them, or on the other hand force them to increase the price of the articles which they sell to the consumer, in proportion to the excessive rate of taxes levied by the state and county. Under the present

revenue act the average country merchant will be either forced into bankruptcy or compelled to increase the prices of his goods and wares, thus creating a burden which will necessarily have to be borne by the people in the community, which will be in the nature of an indirect tax paid to the state, in addition to the taxes which they as individuals are required by law to pay. There can be no justification for the imposition of these taxes, and this section of our law ought to be amended so as to lighten the burden of this particular class of people.

Injustices of Taxation

There are many other unjust provisions in the revenue act wherein the citizen suffers great hardships in consequence of a failure on the part of our lawmakers to adjust the rate of taxation so as to make it bear alike on all classes of our people. The inquisitorial features of the reports required to be made by the merchants to the clerk of the board of county commissioners, as well as the reports required to be made by corporations to the auditor, are odious in the extreme, and will, in my opinion, result in compelling many firms to make assignments, that would otherwise be able, in the long run, to bridge over their financial troubles, and thus keep their heads above the water.

I have not the time to enter into a discussion of the proposed method of assessing the value of real estate, but I call attention to the fact that section 13 of the machinery act provides that real estate shall be assessed "at the full value which could ordinarily be obtained therefor at private sale." If this rule is honestly enforced in the assessment of real estate in North Carolina in the future, it will result in the citizens of the state having to pay at least one-third more taxes than they are paying at present.

We should bear in mind that many of our sister states are possessed of equal advantages with those of North Carolina, and it is suicidal on our part to enact any law which is calculated to discourage those who are likely to invest their capital in the many industries that are now being developed throughout the state. We should endeavor to encourage capitalists from all sections of the country to come among us and to assist in the development of our wonderful resources. We are peculiarly blessed with natural advantages, but in many sections we are sadly in need of the capital necessary to secure their